

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7364

BILL NUMBER: SB 357

NOTE PREPARED: Mar 29, 2007

BILL AMENDED: Feb 19, 2007

SUBJECT: Sale of Nursery Stock and Wildflower Seeds.

FIRST AUTHOR: Sen. Heinold

FIRST SPONSOR: Rep. Dembowski

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill prohibits the Department of Transportation (INDOT) and the Department of Natural Resources (DNR) from selling or distributing nursery stock or wildflower seeds to certain residents of other states and certain businesses.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *DNR:* The bill prohibits DNR from selling or distributing nursery stock or wildflower seeds to certain businesses or to certain individuals unless the individual owns land in Indiana and submits an affidavit that affirms that the nursery stock or wildflower seeds will be planted in Indiana. DNR revenue from the sale of nursery stock could be reduced by an indeterminable amount. Revenue collected from sales is deposited in the Forestry Account.

*Background--*The DNR sells nursery stock to residents of other states. Revenue collected from the sale of nursery stock to out-of-state residents is outlined in the table below.

Year	Revenue
FY 2004	\$184,113
FY 2005	\$202,526
FY 2006	\$82,068

The DNR is not aware of selling or distributing nursery stock to out-of-state **retailers** or **wholesalers**. The DNR does not intentionally sell or distribute nursery stock to Indiana retailers or wholesalers. An individual could be purchasing for a retailer or wholesaler, whether in-state or out-of-state, but not reveal this information to the DNR.

DNR produces an average of about 5 million tree seedlings annually through 60+ different species. Statute provides that the DNR must establish, operate, and maintain nurseries for the production of trees to be used in reforestation. The trees may be used to reforest land owned by the state; supplied to owners of private land at a price not exceeding cost of production; or used for planting on public roads or land under the terms that are considered by the DNR to be for the public benefit. The DNR is also required to propagate trees and shrubs for state institutions or for planting along highways.

The DNR does not produce wildflower seeds at this time.

INDOT: INDOT has two established nurseries: a one acre plot at Winamac and approximately 8-10 acres at Frankfort. A third site is in the development stage at Madison. Seeds from the sites are collected and used by INDOT on INDOT property. The seeds have also been used at promotional events such as Earth Day to promote the INDOT Roadside Heritage program.

INDOT also has a greenhouse at the Crawfordsville district that grows plant plugs. These plugs are only for INDOT use. INDOT does not sell the plugs.

The bill will have no impact on INDOT because the agency does not sell nursery stock or wildflowers to residents of other states or retail or wholesale businesses that sell nursery stock or wildflower seeds. The bill prohibits such sales in the future.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR; INDOT.

Local Agencies Affected:

Information Sources: DNR; INDOT.

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